Supreme Court, U.S.
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No. 06-

IN THE

Supreme Court of the United States

RICHARD W. BERGER and BRANT W. BERGER,

Petitioners,

v.

ROSSIGNOL SKI COMPANY, INCORPORATED,

Respondent.

ON PETITION FOR A WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE FEDERAL CIRCUIT

PETITION FOR A WRIT OF CERTIORARI

DOUGLAS B. ALLEN
BURNETT, BURNETT, & ALLEN
160 W. Santa Clara Street
Suite 1200
San Jose, CA 95113
(408) 298-6540

Attorney for Petitioners

207974

COUNSEL PRESS
(800) 274-3321 • (800) 359-6859

QUESTION PRESENTED

Does the application of local patent rules of the Northern District of California, which create a requirement to fix plaintiff's position by disclosure of infringement contentions early in a patent infringement case, unfairly and unlawfully deprive modest means inventors of a fair trial on claims of infringement of their lawful patent?

PARTIES TO THE PROCEEDING

Richard W. Berger and Brant W. Berger, father and son, are the inventors of the Berger 360 binding, patent number 5,913,530, and are the plaintiffs, and petitioners herein. Rossignol Ski Company, Incorporated, the respondent was the American subsidiary of Rossignol, S.A., the French snow sports company, and is now the subsidiary of Quicksilver, Inc., an American Company.

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OPINIONS BELOW

The decision of the United States Court of Appeals for the Federal Circuit was entered January 12, 2007, affirming the District Court's decision without opinion per FRAP 36 (App. A). The Decision of the Northern District of California, the Honorable Charles R. Breyer, was entered April 25, 2006, and Judge Breyer denied plaintiffs Rule 60(b) motion by order on July 17, 2006 (App. C and B respectively). The trial court had subject matter jurisdiction under 28 U.S.C. §§ 1331 and 1338(a).

JURISDICTION

This Court's jurisdiction is invoked under 28 U.S.C. § 1254(1).

RULES INVOLVED

Patent Local Rules 3-1, 3-6, 3-7, of the United States District Court for the Northern District of California. Federal Rules of Civil Procedure 8, 15, and 83. The relevant portions of which are reproduced in Appendix D.

STATEMENT OF THE CASE

Petitioners request review of the affirmance by the United States Court of Appeals for the Federal Circuit of the judgment of the United States District Court for the Northern District of California, which denied Petitioners' patent infringement suit against Respondent, due to the mistake of counsel in drafting an erroneous "infringement contention" required by local rule, irrespective of the fact that no measurable prejudice to correct the mistake would have been

caused to Respondent and that correction of the mistake would have allowed plaintiff to pursue a meritorious case.

> . . . unlike the liberal policy of amending pleadings, the philosophy behind amending claims charts is decidedly conservative, and designed to prevent the "shifting sands" approach to claims construction.[*LG Electronics Inc. v. Q-LITY Computer Inc., et al.* (2002) 211 F.R.D 360, 367;

This is a reasoning and practice being adopted in other districts [*Massachusetts Institute of Technology v. Abacus Software* (2004) U.S. District Court Lexis 30045].

The Federal Circuit Court of Appeal, responsible for patent appeals, has upheld the conservative application of rules regarding infringement contentions in, *O2 Micro International Limited v. Monolithic Power Systems, Inc.*, (2006 Fed. Cir.) 467 F.3d 1355.

Therein the Court stated,

> . . . having concluded that the district court could properly conclude that O2 Micro [plaintiff] did not act diligently in moving to amend its infringement contentions, **we see no need to consider the question of prejudice to MPS [defendant].** (*Ibid*, pg.1368)(emphasis added)

The conservative application of the Northern District local rules regarding infringement contentions as applied by the District Court and the Federal Circuit Court of Appeal violates FRCP 83(a)(1) because it is inconsistent with the letter and spirit of the FRCP as found in Rules 8, 15(b), and Rule 83(a)(2).

> a local rule imposing a requirement of form shall not be enforced in a manner that causes a party to lose rights because of a non-willful failure to comply with the requirement.[Rule 83(a)(2)]

Local rules such as the Local Patent Rules of the Northern District of California, must be consistent with the Acts of Congress and must be consistent with the spirit and letter of statutes and the Constitution [*Weibrecht v. Southern Ill. Transfer, Inc.* (7th Cir. 2001) 241 F.3d 875, 879].

Petitioners were deprived of a meritorious patent infringement suit due to the improper and unfair application of local rules in violation of the Federal Rules of Civil Procedure. This extreme case of forfeiture graphically illustrates a greater policy being adopted nationwide regarding patent infringement claims, that severely prejudices the rights of individual inventors and entrepreneurs of modest means in the enforcement of their rightful patent law protection.

REASONS FOR GRANTING THE PETITION

Northern District of California Local Patent Rule 3-6 requires disclosure of preliminary infringement contentions which become final upon such initial disclosure except in limited circumstances. The District Court and the Federal Circuit Court of Appeal both apply the Northern District's local rules conservatively.

> . . . unlike the liberal policy for amending pleadings, the philosophy behind amending claim charts is decidedly conservative and designed to prevent the "shifting sands" approach to claim construction. *[LG Electronics Inc. v. Q-Lity Computer Inc., et, al.* (2002) 211 F.R.D 360, 367]

In reviewing motions for leave to amend infringement contentions, the Federal Circuit has determined that the District Court shall consider only the diligence, or lack thereof, of the moving party without regard to considerations of prejudice to responding party [*O2 Micro International Limited v. Monolithic Power Systems, Inc.*, (2006 Fed. Cir.) 467 F.3d 1355, 1368].

Preliminary infringement contentions are a vehicle to assist the Court in identifying which claims in the patent apply to the accused infringing device.

> Characteristically, patent lawsuits charge what is known as infringement, . . . and rest on the allegations that the defendant 'without authority made, used or sold the patented invention . . .' Victory in an infringement suit requires a finding that the patent claim 'covers the alleged infringer's

> product . . .' [*Markman v. Westview Instruments, Inc.* (1996) 517 U.S. 370, 374; 116 S. Ct. 1384; 134 L. Ed. 2d 577, quoting, 35 U.S.C. § 271 (a)]

Patent claims define the scope of the patent grant [*Markman v. Westview Instruments, Inc.*(*Ibid.* at 517 U.S. 373); 35 U.S.C. § 112]. Each claim in a patent document is numbered. Infringement contentions are typically expressed in a chart identifying the plaintiff's application of patent claims by number to a device accused of infringement, the components of which are also identified by number. As such, the infringement contentions reflect the allegations of plaintiff, not facts. The allegation is understood by simply looking at the relationship of the identified claim number to the identified component number of the accused device. In the typical patent case, as this one, multiple claim numbers are contained in a chart corresponding to multiple component numbers. Placing a component number in the wrong box has a material effect on the allegations of plaintiff. This is what happened in this case, one of the component numbers was mistakenly placed in the wrong box by counsel.

The determination of infringement is a two step analysis.

> First, the claims must be correctly construed to determine the scope of claims. Second, the claims must be compared to the accused devise. [*Kahn v. General Motors Corp.* (1998 Fed. Cir. 135) Fed. 3rd 1472, 1476 citing, *Markman v. Westview Instruments Inc.*, (Fed. Cir. 1995) 52 Fed. 3rd 967, 976].

Claim construction is exclusively the province of the courts and is a question of law [*see Markman v. Westview Instruments, Inc.* (*Supra* at 517 U.S. 372]. Comparison

of the claims to an accused devise involves factual determinations usually reserved to a jury. The notice pleading of a plaintiff identifies the patent, which would include the claims to be applied. Identifying a specific accused device typically occurs by Rule 26 disclosures. The obligation of the Court is to compare the claims of the patent to the accused device. The "infringement contentions" is a map created by plaintiff to assist the Court in identifying how the specific claims apply to the accused device. They are not, however, a lawful replacement of the pleading of plaintiff, nor are they facts. They are merely refined contentions set forth in a form for the aid of the Court and the parties. Infringement contentions arise from "a local rule imposing a requirement of form .. ." [FRCP 83(a)(2)]. As peculiarly illustrated by this case, the conservative application of those forms and resistence of amendment thereto, based exclusively upon an analysis of diligence, violates FRCP 83(a)(2), which states,

> a local rule imposing a requirement of form shall not be enforced in a manner that causes a party to lose rights because of a non-willful failure to comply with the requirement.

Further, since contentions are a form to augment the pleading, the conservative application by the Northern California District Court and the Federal Circuit is inconsistent with notice pleading represented in Rule 8(a), thus violating FRCP 83(a)(1). Local rules and standing orders cannot modify the notice pleading requirements of the FRCP [see: *Akos Swierkiewicz v. Sorema N.A.* (2002) 534 U.S. 506; 122 S. Ct. 992, 152 L. Ed. 2d 1; *Jones v. Bock* (2007) 127 S. Ct. 910; 166 L. Ed. 2d 798].

The predisposition to allow cases to be tried upon the merits, as opposed to being dismissed upon a technicality is reflected in FRCP 15(b), allowing amendment of pleadings according to proof.

> . . . If evidence is objected to at the trial on the ground that it is not within the issues made by the pleadings, the court may allow the pleading to be amended and shall do so freely when the presentation of the **merits** of the action will be observed thereby and the objecting party fails to satisfy the court that the admission of such evidence would **prejudice** the party . . . [F.R.C.P. 15(b), (emphasis added); *see Foman v. Davis* (1962 371 U.S. 178, 182; 83 S. Ct. 227; 230]

This case arises from alleged infringement of a patent on a snowboard binding. Unlike all other snowboard bindings, the patent reflects a binding that can be adjusted by rotation of the foot, without tools, while the snowboarder is still attached to the snowboard. Thus one can adjust the angle of the rider's foot without a screwdriver, without taking the rider out of the binding. This innovation was particularly beneficial to snowboard rental shops who seek efficiency in modification of the stance of novice snowboarders. The accused devise, developed after Rossignol representatives photographed plaintiffs' binding at a trade show, likewise accomplishes the same innovation.

The principle aspect of the patent claims in question require the upper attachment, i.e. the boot and attached portions of the binding to rotate relative to the lower attachment, i.e. the board and the attached portions of the binding to the snowboard. In the preliminary infringement

contentions, plaintiff mistakenly characterized part of the coupling device of the accused binding as part of the lower attachment. Thus, even though simple observation of the accused devise revealed the upper attachment i.e. the boot and the portion of the binding attached thereto, rotating relative to lower attachment i.e. the snowboard and the portion of the binding attached thereto, the erroneous inclusion of a part of the coupl ıg of the accused device denominated by a number in a box as corresponding to the claim that described the lower attachment, meant that plaintiff did not describe the upper attachment as rotating relative to the lower attachment. Such a mistaken characterization would obviously defeat the infringement claim.

Plaintiffs' case was filed in June 2006. Plaintiffs' issued a claims chart setting forth their preliminary infringement contentions, including the erroneous designation of the coupling device, on January 4, 2006. Recognizing the impact of the erroneous disclosure, defendants quickly moved for summary judgment before a "*Markman*" hearing, where the Court would construe disputed claim terms, could be held [*Markman v. Westview Instruments Inc.*, (*Supra*)]. In responding to the motion for summary judgment, plaintiffs identified their error and disclosed their intent to amend the infringement contentions correcting the error on March 14, 2006, followed by a motion for leave to amend the contentions on March 27, 2006, 34 days following the motion for summary judgment, and 86 days following the initial disclosure containing the error. The Court concluded that plaintiffs' were not diligent in correcting the mistake, denied the motion for leave to amend the contentions, and accordingly, granted the motion for summary judgment. Notwithstanding the observation that no prejudice was occasioned to the defendant, Rossignol, other than having

early filed its motion for summary judgment, plaintiffs were denied an adjudication on the merits. There was no comparison of plaintiffs' claims to the accused device, independent of the erroneous claims chart.

Prejudice or the lack thereof to the non-moving party is a material element to be considered by courts in determining whether to deprive a party of trial on the merits of its case when moving for excuse from neglect [see: *Pioneer Investment Services Co. v. Brunswick* (1993) 507 U.S. 380, 395; 113 S. Ct. 1489; 123 L. Ed. 2d 74]. This Court has recently held that deviation from principles of federal notice pleading is not permitted absent an act of Congress [*Akos Swierkiewicz v. Sorema N.A.* (2002) 534 U.S. 506, 122 S. Ct. 992; 152 L. Ed. 2d 1; and *Jones v. Bock* (2007) 127 S. Ct. 910; 166 L. Ed. 2d 798, (2007) U.S. Lexis 1325].

The conservative application of local patent rules of the Northern District of California (the geographic heart of American innovation), by the District Court and approved for nationwide application by the Federal Circuit Court of Appeals, in *O2 Micro International Limited v. Monolithic Power Systems, Inc.*, (Fed. Cir. 2006) 467 F.3d 1355, contrary to long established principle, deprived plaintiffs of trial on the merits of their case. It violates FRCP 83(a)(2), specifically barring the deprivation of a parties rights due to a non-willful failure to comply with a requirement of form. The deprivation of plaintiffs' rights, notwithstanding a dearth of prejudice to the defense, is contrary to the spirit and the letter of the Federal Rules of Civil Procedure. The policy holds plaintiffs to an improper standard in attempting to hurdle summary judgment motions brought under Rule 56, which are supposed to require the Court to consider evidence, not pleadings, in determining whether a plaintiff's claim can

survive [*Celotex v. Catrett* (1986) 477 U.S. 317, 324; 106 S. Ct. 2548; 91 L. Ed. 2d 265].

Liberal rules of amendment pursuant to FRCP 15(a) and (b) should be applied when the evidence presented to the Court indicates that the mere misidentification of a component part of an infringing devise in the infringement contentions wrongly changed the outcome of the summary judgment motion. Patent claims, just like all other federal causes of action, should be determined on the basis of evidence readily ascertainable by the Court, not on the basis of a mistaken contention by counsel. Failing to consider whether the mistake of counsel has prejudiced the defense is failing to exercise discretion at all. The result is to deprive plaintiffs of meritorious patent infringement lawsuits on mere local rule technicality, reflected in required disclosure forms. The practice, as followed here, works a specific hardship on individual inventors and entrepreneurs who must contend through modest means against the "well heeled" litigation coffers of established corporate infringers. The policy of the Northern District of California, condoned by the Federal Circuit, is being adopted by other districts, and will serve only to promote injustice and classism, favoring the rich establishment, and condoning the usurpation of the individual innovation that has fostered American preeminence in world technology.

This case presents a uniquely pointed circumstance of the injustice of ruling against a plaintiff's claim based upon the mis-identification of one component of the infringing device, sought to be changed before adjudication by summary judgement, factually apparent to be a mistake, with the only prejudice to the defense that they would be deprived of the wrongful defense of a meritorious infringement claim by not being able to seize upon the mistake of plaintiffs' counsel.

CONCLUSION

Accordingly, Petitioners request that the Petition be granted.

Respectfully submitted,

DOUGLAS B. ALLEN
BURNETT, BURNETT, & ALLEN
160 W. Santa Clara Street
Suite 1200
San Jose, CA 95113
(408) 298-6540

Attorney for Petitioners